

Message Text

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ORIGIN XMB-04

INFO OCT-01 EUR-12 EA-10 ISO-00 SP-02 USIA-06 AID-05
EB-08 NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 OPIC-03
LAB-04 SIL-01 IGA-02 /097 R

DRAFTED BY EXIMBANK:CEHOUSTON:FLW
APPROVED BY EA/K - MR. RICH
EA/K - DBLAKEMORE

-----036734 032121Z /41

O 032100Z PEB 78
FM SECSTATE WASHDC
TO AMEMBASSY SEOUL IMMEDIATE
INFO AMEMBASSY LONDON IMMEDIATE

C O N F I D E N T I A L STATE 029555

E.O. 11652: GDS

TAGS: BEXP, EFIN, ETRD, OECD, UK, US

SUBJECT: KORI 3 AND 4 FINANCING

REF: A) SEOUL 947, B) LONDON 1864

1. EXIMBANK BELIEVES THAT ITS PRESENT OFFER OF FINANCING
FOR KORI 3 AND 4 IS FORTHCOMING AND APPROPRIATE AND THE
BANK IS NOT REPEAT NOT DISPOSED TO AMEND IT FURTHER.

2. IT IS CLEAR THAT ANY REDUCTION IN EXIMBANK'S INTEREST
RATE WOULD BE MATCHED BY THE U.K. AND WOULD BE MERELY A
STEP TOWARD AN UNBUSINESSLIKE AND UNPRODUCTIVE COMPETITIVE
SCRAMBLE. ALSO EXIMBANK MUST BEAR IN MIND ITS COST OF
MONEY WHEN FIXING AN INTEREST RATE AND THE COST OF LONG-
TERM FUNDS IS NOW APPROACHING THE RATE OFFERED TO KECO.

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3. WE WERE ENCOURAGED TO LEARN THAT THE INTERESTED
ELEMENTS OF THE GOVERNMENT OF KOREA OTHER THAN KECO FAVORED
THE AMERICAN BIDS. WE FIND KECO'S POSITION SOMEWHAT
SURPRISING IN VIEW OF THEIR DIFFICULT EXPERIENCE WITH
MIXED SOURCES OF EQUIPMENT FOR KORI 1.

4. AS ALWAYS EXIMBANK IS MOST APPRECIATIVE OF THE

EMBASSY'S EFFORTS. IN THE PRESENT SITUATION, HOWEVER, WE
FEEL THAT WE MUST MAINTAIN OUR OFFER AS IT NOW STANDS. VANCE

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NNN

*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL

Message Attributes

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Litigation Codes:
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Message ID: 93bf21cf-c288-dd11-92da-001cc4696bcc
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